



October 12, 2010

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554
RE: GN Docket No. 09-191, WC Docket No. 07-52

Dear Ms. Dortch:

The Small Business & Entrepreneurship Council (SBE Council) is pleased to file comments requested by the Federal Communication Commission for its *Further Inquiry* of additional issues regarding the proposed regulation of broadband Internet service providers.

It is our organization's ongoing belief that the "open Internet proceeding" continues to be an inefficient initiative. Proposed "net neutrality" rules and the ongoing inquiry seek to find, address or resolve problems that simply do not exist in the broadband or Internet space. For more than fifteen years, political leaders from both parties have correctly supported private-sector flexibility and innovation in this important sector, pulling back from unneeded regulation – first, because the power of the market continues to produce extraordinary outcomes for society and our economy; and second, there have been no signs of market failure with respect to competition and how consumers are being treated.

In fact, the record accumulated by the Commission over the years proves there is no problem. As SBE Council has noted in previous proceedings, market failure and consumer harm should direct the Commission's work, and neither of these are evident in the broadband marketplace. We continue to believe the Commission is doing more harm than good through this proceeding.

SBE Council is a 75,000-member national, nonprofit advocacy and research organization dedicated to protecting small business and promoting entrepreneurship. Access to broadband has been a critical development for our members, as well as all U.S. entrepreneurs. The array of tools made possible through the Internet and broadband has helped countless firms grow, innovate and become more competitive in today's challenging economic climate. Private sector investment and innovation is responsible for making all of this happen for small business and consumers. As SBE Council has noted in previous proceedings, we fear government intrusion into this healthy and dynamic sector. Specifically as proposed by the Commission, "net neutrality" regulation would inflict great damage on this bright spot in the U.S. economy.

It is well documented that America's small business sector remains a chief beneficiary of advanced telecommunications technologies and services. Entrepreneurs have a vested interest in an innovative, dynamic, open, competitive and healthy Internet and broadband marketplace. That is why we continue to urge the Commission to refrain from pursuing risky, intrusive and economically damaging "net neutrality" rules and other regulations that would harm innovation and hurt the choices that entrepreneurs currently have in the marketplace.

SBE Council is hopeful that the Commission will ultimately decide to work with Congress on this critical matter as a broad swath of Members from both parties have expressed fear that intrusive regulation will disrupt investment and innovation into this highly productive and complex marketplace – one that continues to evolve as a result of rapid innovation.

The consensus on Capitol Hill is that matters pertaining to broadband regulation are not within the jurisdiction of the Commission. That is, it is the job of Congress to determine the next set of rules governing this sector, which will guide Commission action. Again, it is our hope that the Commission will follow the directives of the legislative branch (as well as the courts) and refrain from hasty and unneeded regulation. SBE Council believes there is much more important work that needs to be done by the Commission in advancing the National Broadband Plan, for example, – an initiative that will have an immediate and lasting impact on many entrepreneurs and communities.

In terms of the additional information that the Commission is seeking in its current inquiry, SBE Council is similarly concerned that moves to regulate the wireless market and micromanaging its various and interdependent pieces will cause unneeded harm to this sector and small businesses. Small firms and the self-employed in particular have benefitted from the growth of the wireless market. As we all know, the price of wireless continues to decrease and entrepreneurs have ample choice in providers that offer a variety of plans and services. Such pricing and service flexibility is especially important for small business.

As demand continues to grow, so does the type of services, applications and devices that are being introduced into the marketplace. The unique and growing needs of small business consumers continue to drive investment. Indeed, small firms are piloting the innovation wave by helping to develop and design apps and add value in other ways within the wireless market. There is no doubt that small businesses would suffer as a result of a pull back in investment, and that is certainly what SBE Council fears if the Commission advances disruptive regulation on wireless (and of course, in the wireline world as well).

SBE Council sees no need for the Commission to impose regulation in any of the areas it is seeking "clarification." Again, with no evidence of market failure or consumer harm to justify regulation, the Commission should focus on efforts that help bring broadband to

more Americans. The current regulatory path being pursued by the Commission only undermines this important goal.

SBE Council strongly urges the FCC to withdraw its “open Internet” regulations. Such intrusive regulation will harm entrepreneurs that do business within the telecommunications industry, as well as those who rely on -- or would like access to -- broadband services. It will take away choice in the marketplace, as well as the flexibility entrepreneurs need to choose plans based on their business model and financial means. The intrusive regulatory scheme works against broadband deployment, access, investment and adoption, and will dampen economic growth, job creation and innovation.

Respectfully submitted by:

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